

May 29, 1956

To: Contracting Officer

Subject: CONTRACT SC-56

Submitted herewith is our fixed price quotation for the period ending 30 June 1956, consisting of:

1. Preparatory and start-up work - [REDACTED]

25X1A

This item is comprised of the special group, apart from Detachment A, who went overseas for a brief period. The estimate is itemized in the attached breakdown. Since the time of return of two or three of these people is not definitely known, we will check the facts the latter part of June and will inform you if a material difference should develop.

2. Per man-month rates for the specified categories serving with Detachment A. These rates are set forth in the proposed Part II - Consideration and Payment, of the enclosed "Comments for Definitive Contract", and the calculations are shown in the attached breakdown. These rates times the periods involved for the people who are with Detachment A will amount to [REDACTED] as of June 30. Thus, the total payable as of June 30 will be [REDACTED]

25X1A

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We should note for your general information that the charge for the [REDACTED] autopilot man, is picked up on SC-56 as of his departure for overseas. His services prior thereto and while he was at [REDACTED] are being charged to SSC-55.

25X1A

The enclosed Comments for Definitive Contract are based on the initial draft of SSC-55.

I assume you are aware that the problems which exist respecting adequate food and laundry, etc., have been under discussion and will have to be solved.

Apart from the definitive contract, I presume that you will issue an amendment to Letter Contract SC-56 as of July 1 to provide that we shall continue such services.

Very truly yours,

Bob and Hal

1. Make Part I - Services to be Furnished, read as follows:

"1. The Contractor shall, in accordance with the instructions of the Contracting Officer, furnish to the Government the services of [redacted] Contractor technicians to serve as flight service crews after their training pursuant to a separate contract between the Government and the Contractor, and such other services as may be agreed upon between the Contractor and the Contracting Officer. Each crew shall perform the services of a flight line crew, at such overseas base or bases to which it is assigned, servicing and maintaining one or any of the airplanes supplied by the Contractor in support of flight operations thereof. It is understood that the Government will supply other personnel to service and maintain the engines and special equipment."

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2. Make Part II read as follows:

Part II - Consideration and Payment

(a) The Government shall pay the Contractor, upon satisfactory performance of services hereunder and as full payment therefor, the amounts specified below.

- (1) For preparatory and start-up work, the performance of which is hereby acknowledged, the sum of [redacted]
- (2) For services rendered by the kinds of technicians respectively identified below the amount specified therefor:

25X1A

	<u>Per man-month</u>	<u>Per man-day, for periods less than a month</u>
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Crew member, mechanic technician:
Crew Chief:
Supervisor, [redacted]
Inspector, [redacted]
Autopilot Technician:

25X1A

25X1A

- (3) The amounts which the Contractor becomes obligated to and does pay the Contractor technicians pursuant to the provision of the Employment Agreement which provides for compensation for local time-off foregone.
- (4) In the event of failure by the Government to furnish transportation, meals or lodging, the Government will reimburse the Contractor the actual and reasonable cost thereof.

(b) The payments referred to above shall be made as they accrue in monthly installments upon submission of properly certified invoices therefor.

(c) As of the date of execution of this contract, there has been allotted for it the total amount of \$ [redacted]. The Government may increase this amount from time to time solely at its discretion. If at any time the Contractor has reason to believe that by reason of the performance by it of this contract the amount due it will exceed the sum allotted to this contract, the Contractor shall not be obligated to furnish any services pursuant to this contract, if, in the best judgment of the Contractor, the cost of such services will exceed the amount allotted to this contract. The Government shall not be obligated to pay the Contractor under this contract any amount in excess of the sum allotted.

(d) The Contractor shall furnish to and file with the Contracting Officer such copies of the employment contracts, if any, entered into with all Contractor technicians engaged in performing the services to be rendered under this contract as may be required by the Contracting Officer.

3. Make Part III read as follows:

"1. The services of the Contractor technicians hereunder shall be furnished as required during approximately the period commencing 1 April 1956 and ending 30 June 1956. The period of service contemplated for each Contractor technician hereunder is 18 months, including a vacation at home of four weeks, after nine months' service. Such vacation shall commence on the first Monday following arrival at Contractor's plant and shall end on the fourth subsequent Sunday."

4. Make Part IV read as follows:

"The Government is granted the right and option of renewing and extending and/or expanding this contract as to any or all items or services under this contract, which are needed by the Government to satisfy long-range requirements. Such renewal extension or expansion, however, shall not require the services of any individual beyond his initial period of service of eighteen months. Such right and option shall extend for any additional periods of time but not as to items or services to be supplied after June 30, 1958. This option to extend and/or to expand the contract may be exercised by a Change Order to this contract. It is agreed that the rates specified in Part II of this contract shall be considered as interim provisional rates for payment purposes applicable to the period of extension, pending the completion of negotiations covering the rates which are to be mutually agreed upon for such extended period."

5. Delete Part V, and renumber subsequent Parts.

6. Make Part V - Reports and Final Acceptance, same as in SSC-55, except delete "and upon agreement as to the final price under this contract,".

7. In Clause 3, delete "and shall furnish such facilities, supplies and services as may be required for this work".

8. Delete Clause 4, entitled "Payments" and renumber subsequent.

9. In the first line of Clause 9 - Eight Hour Law of 1912, after the word "it" insert "relates to domestic services and". (Our legal office indicates that one of the cases on the subject pointed up the fact that the State Department had two forms of clause, one limiting to domestic, and the fact that this one was used in that case was instrumental in holding that the overseas services involved were not subject to the provisions.

10. Add to Clause 19 entitled **Services**:

"To the extent it deems practicable, the Government will dispatch each Contractor technician for return to Contractor's plant upon completion of his period of service not earlier than 546 days nor later than 560 days after his first arrival at his place of duty hereunder; provided, however, that this provision shall not abrogate or affect any of the Government's rights under any other express provision of this contract, nor shall it affect any vacation expressly provided for herein."

11. Revise Clause 20, as it appears in the draft, as indicated below.

Reference in first line should be "paragraph (c) of Part II".

Make paragraph (c) read as follows:

"The Contractor shall furnish all salaries, wages and compensation of the Contractor technicians. The Contractor and the Contractor technicians shall furnish the personal tools normally needed by each Contractor technician in the performance of his job and the clothing normally needed by him, but to the extent that specialized tools and equipment or special clothing may be required they shall be furnished by the Government."

12. In Clause 21, after the word "Contractor" in the second line insert "(commencing as of Monday of the week of departure)"; and between the words "Contractor" and "shall" in the next-to-last line, insert ", including also the time spent in vacations as hereinbefore defined and travel to the Contractor's plant therefor and return to site,".

13. Revise Clause 22 as indicated below.

Delete the period at the end of the first sentence of paragraph (a) and insert: ", including transportation thereto and therefrom for the vacations as hereinbefore defined."

In paragraph (b), delete "if the Contractor is unable to procure commercial communication services;".

In paragraph (c), delete "when adequate commercial services and facilities are not available to the Contractor and its Contractor technicians".

Add the following paragraphs:

"(e) Suitable lodging and meals.

(f) Uniforms or other special clothing, to such extent if any as special clothing is required.

(g) Medical, dental and spiritual care, and recreational privileges to the extent available.

(h) Passport and visa services.

(i) Administration of compliance with security requirements by the Contractor technicians while they are at or in transit to or from the sites, it being recognized that the Contractor will not have the means to administer such compliance.

14. Delete the Clause entitled "Cost Statements" on page 18.
15. Delete the Clause entitled "Government-Furnished Property" on page 20 - 26 and insert:

"Government-owned Property

It is recognized that the services to be performed hereunder entail the servicing of Government-owned property. The Contractor and the Contractor technicians shall comply with all instructions and directions of the Contracting Officer respecting the Government-owned property. Except for loss, destruction or damage resulting from willful misconduct or failure to exercise good faith on the part of Contractor's managerial personnel as defined herein, the Contractor shall not be liable for loss or destruction of or damage to the Government-owned property. The term "Contractor's managerial personnel" as used herein means the Contractor's directors, officers and any of its manufacturing managers, plant managers, production managers, works managers, division superintendents or other equivalent representatives who have supervision or direction of (I) all or substantially all of the Contractor's business; (II) all or substantially all of the Contractor's operation at any one plant or separate location at which the contract is being performed; (III) a separate and complete major industrial operation in connection with the performance of this contract."

16. At the end of the clause entitled "Patent Indemnity" on page 33-34 add the same sentence which appears as paragraph (b) in SSC-55 and SP-1913.
17. Delete the clause entitled "Flight Risk" on page 35 (because the only provision in this regard should be the Government-owned Property clause proposed above).